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7 January 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Henry S. Rowen
Chairman, National Intelligence Council

SUBJECT : My JEC Testimony

1. Regarding my JEC Testimony, Proxmire's staff director apologizes for the press release which has already been distributed, says that the lead is intended to be Proxmire's statement not a quote from mine, and that they will make this clear.

2. I told him that the impression created by the press release was very misleading and that this was bad business especially right after Rep. Reuss' distorted statement on the earlier CIA publication on the Soviet economy. He said that they would encourage the press to read my testimony which was short and readable.

3. I didn't say that we might put out a statement of our own depending on the press treatment of my testimony. If we decide to, a copy of what Public Affairs might say is attached.

HSR
Henry S. Rowen

cc: DDI
AD/OEA

Possible Public Affairs Statement

In his press statements accompanying the release of testimony by Henry Rowen, Chairman of the National Intelligence Council, on the Soviet economy, Senator Proxmire chose to emphasize one theme: the self reliance and strength of the Soviet economy. The testimony, in fact, presented a more complex picture:

- The marked slowdown in the Soviet economy in recent years.
- Despite this slowdown, the continued increases in Soviet military forces.
- The underlying strengths of the Soviet economy, its size, access to natural resources, strength of its human capital assets.
- The importance of Western imports in relieving critical shortages even though, as a whole, the Soviet economy is highly self sufficient.
- The much harder choices faced by the Soviet leadership among consumption, investment and defense.
- The Soviet economy is not going to collapse, only grow very slowly.

We encourage the press to read the full statement.